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TAX CREDIT ACCOUNTABILITY BILL GOES TO THE HOUSE

JEFFERSON CITY – The Missouri Senate today has unanimously passed the Tax Credit Accountability Act, sponsored by Senator Michael R. Gibbons, R-Kirkwood. The measure is designed to ensure that tax credits in the state are being used as they are intended.

The bill creates a standard method for organizing the various tax credits and establishes minimum requirements, which are systems that the state currently lacks. It will also implement reporting requirements that would gather information on whether the tax credits are useful and free from abuse.

The bill requires each tax credit program to come before the Joint Committee on Tax Policy after each of the State Auditor's program audits. The Joint Committee will then be able to make an official report to the General Assembly as to the merit and suggested treatment of each credit. This will preserve those tax credits that are successful and positively benefit to the state, while removing those that are no longer useful or the result of abuse and misuse.

"We need a fundamental basis to build on," Gibbons said. "We felt it was absolutely necessary to develop some way to hold this system accountable. At least, if we set out a policy for continual review of these tax credits, we'd get something sorted out on how they work and if they work."

The Tax Credit Accountability Act will also serve as a response to several cases of abuse that have recently made the news.

“There is no question that the system is broken,” Gibbons said. “But as legislators, we want the public to hold us and those who use tax credits accountable. The citizens must have faith in the system or else we are not doing our job. By ensuring the tax credit programs are undergoing review, we can protect the taxpayers by opening the system up to continual review.”

Along with providing information to the Joint Committee on Tax Policy, the bill makes tax credit information available to the public and media.

While measures like SB 777 and SB 778 call for the end of tax credit programs such as the historic preservation credit, Gibbons noted that his bill would not eliminate those credits.

“The bill as it stands has no capping, no consolidating, and no elimination of programs,” Gibbons said. “This is just a way to set up a method for reviewing the practices of the tax credit system to ensure that all tax credits program are reporting to the legislature.”

SB 1099 passed by a vote of 33-0.

Sen. Gibbons currently serves as Majority Floor Leader in the Senate.

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